GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:202
ANSWERED ON:30.11.2015
Assistance to MSME Clusters
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the 'The Energy and Resources Institute' (TERI) has recently conducted any study regarding problems being faced by the Micro, Small and Medium Enterprises (MSME) clusters in the country particularly Hubli-Dharwad clusters;

(b) if so, the details thereof, State / UT-wise; and

(c) the corrective steps taken by the Government in this regard including enhancing the number of skilled labour and modernization of the MSME Clusters?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes, Madam. As per the information furnished by the 'The Energy and Resource Institute' (TERI), the study has been conducted regarding the problems being faced by the Micro, Small and Medium Enterprises (MSME) clusters in the country particularly Hubli-Dharwad Cluster;

(b): In Hubli- Dharwad region, study has been carried out in automotive component / engineering cluster. The main objective of the study was to identify infrastructure and non −financial (technology, skill, marketing, energy / environment, quality /productivity etc.) gaps and recommend solutions to overcome the gaps. A brief of the problems indentified and solutions recommended by TERI for Hubli-Dharwad cluster is stated below:
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Areas Problem Suggested Solution
Infrastructure Raw materials like SS / MS rods for forging are not available locally. Explore strengthening raw material procurement / supply.
Marketing Few OEMs in the cluster.

Higher rate of taxation (VAT) in the state make products uncompetitive compared to other states. Organize buyer-seller meets.

Promote policy dialogue between industry association and Department of Commercial Taxes.
Skill set Lack of basic engineering drawing knowledge among entrepreneurs and draftsmen. Organize training program on engineering drawing in collaboration with local academic institutes

Product quality Few units have implemented TQM Implement TQM tools in selected units on a pilot basis.
Encourage units to use DC-MSMEs Lean manufacturing scheme
Technology Limited facilities for laser cutting / CNC frame cutting in the cluster.

No VMC (Vertical Milling Centre) in the cluster and SMEs using three operations (lathe, vertical machining and milling) which is leading to low productivity. Support vendors in laser /CNC frame cutting.

Support vendors equipped with VMC.
Product development Limited product development capacity among SMEs Establish technology tie-ups with international firms.
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The studies conducted recently by TERI in the clusters, State /UT- wise are:
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No. Cluster MSME sub-sector State
1. Hubli-Dharwad Engineering / Auto Karnataka
2. Rajkot Engineering /Foundry Gujarat
3. Ankleshwar Chemical Gujarat
4. Kolhapur Foundry Maharashtra
5. Mohali-Chandigarh-Panchkula Engineering Punjab/ Chandigarh/Haryana
6. Kerala Rubber Kerala
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(c): For enhancing the number of skilled labour and modernization of the MSE Clusters, the Government has implemented several schemes such as Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Lean Scheme, Quality Management and Quality Technology Tools (QMS/QTT), Design Clinics etc. In the Auto Cluster, Dharwad, Hubli many facilities have been setup; one of the facilities is skill development training for enhancing the number of skilled labour. Further, latest machines and equipments have been setup in the Common Facility Centre (CFC) for precision machining, manufacture of Jigs and fixtures etc. which in turn would result in modernisation of the cluster.